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**UNITED STATES DISTRICT COURT  
CENTRAL DISTRICT OF CALIFORNIA**

DREW S. SCHULTZ, Individually  
and On Behalf of All Others  
Similarly Situated,

Plaintiff,

v.

IMPINJ, INC., CHRIS DIORIO, and  
ERIC BRODERSEN,

Defendants.

Case No.:

**CLASS ACTION COMPLAINT  
FOR VIOLATIONS OF THE  
FEDERAL SECURITIES LAWS**

**JURY TRIAL DEMANDED**

1 Plaintiff Drew S. Schultz (“Plaintiff”), by and through his attorneys, alleges  
2 the following upon information and belief, except as to those allegations concerning  
3 Plaintiff, which are alleged upon personal knowledge. Plaintiff’s information and  
4 belief is based upon, among other things, his counsel’s investigation, which includes  
5 without limitation: (a) review and analysis of regulatory filings made by Impinj, Inc.  
6 (“Impinj” or the “Company”) with the United States (“U.S.”) Securities and  
7 Exchange Commission (“SEC”); (b) review and analysis of press releases and media  
8 reports issued by and disseminated by Impinj; and (c) review of other publicly  
9 available information concerning Impinj.  
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### 13 **NATURE OF THE ACTION AND OVERVIEW**

14 1. This is a class action on behalf of persons and entities that acquired  
15 Impinj securities between May 7, 2018 and August 2, 2018, inclusive (the “Class  
16 Period”), seeking to pursue remedies under the Securities Exchange Act of 1934  
17 (the “Exchange Act”).  
18

19 2. Impinj claims that it is working to deliver a platform that powers item-  
20 to-cloud connectivity, enabling developers to innovate Internet-of-Things, or IoT,  
21 applications.  
22

23 3. On August 2, 2018, Impinj announced that it was delaying the release  
24 of its second quarter 2018 results. The Company also disclosed that its Audit  
25 Committee commenced an independent investigation in connection with a complaint  
26 filed by a former employee, and that Impinj contacted the SEC to advise the SEC of  
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1 the independent investigation. Impinj further disclosed that it would “not be in a  
2 position” to file its Form 10-Q until after the Audit Committee completed its  
3 investigation.  
4

5 4. On this news, Impinj’s share price fell \$3.02 per share, or 13.7%, to  
6 close at \$18.97 per share on August 3, 2018, on unusually heavy trading volume.  
7

8 5. Throughout the Class Period, Defendants made materially false and/or  
9 misleading statements, as well as failed to disclose material adverse facts about the  
10 Company’s business, operations, and prospects. Specifically, Defendants failed to  
11 disclose: (1) that the Company had engaged in conduct that could lead to an  
12 employee complaint and/or Audit Committee investigation; (2) that the Company  
13 lacked adequate internal and financial controls; and (3) that, as a result of the  
14 foregoing, Defendants’ statements about Impinj’s business, operations, and  
15 prospects, were materially false and/or misleading and/or lacked a reasonable basis.  
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18 6. As a result of Defendants’ wrongful acts and omissions, and the  
19 precipitous decline in the market value of the Company’s securities, Plaintiff and  
20 other Class members have suffered significant losses and damages.  
21

## 22 **JURISDICTION AND VENUE**

23  
24 7. The claims asserted herein arise under Sections 10(b) and 20(a) of the  
25 Exchange Act (15 U.S.C. §§ 78j(b) and 78t(a)) and Rule 10b-5 promulgated  
26 thereunder by the SEC (17 C.F.R. § 240.10b-5).  
27

28 8. This Court has jurisdiction over the subject matter of this action

1 pursuant to 28 U.S.C. § 1331 and Section 27 of the Exchange Act (15 U.S.C. §  
2 78aa).

3  
4 9. Venue is proper in this Judicial District pursuant to 28 U.S.C. §  
5 1391(b) and Section 27 of the Exchange Act (15 U.S.C. § 78aa(c)). Substantial acts  
6 in furtherance of the alleged fraud or the effects of the fraud have occurred in this  
7 Judicial District.  
8

9 10. In connection with the acts, transactions, and conduct alleged herein,  
10 Defendants directly and indirectly used the means and instrumentalities of interstate  
11 commerce, including the United States mail, interstate telephone communications,  
12 and the facilities of a national securities exchange.  
13

14 **PARTIES**  
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16 11. Plaintiff Drew S. Schultz, as set forth in the accompanying  
17 certification, incorporated by reference herein, purchased Impinj securities during  
18 the Class Period, and suffered damages as a result of the federal securities law  
19 violations and false and/or misleading statements and/or material omissions alleged  
20 herein.  
21

22 12. Defendant Impinj, Inc. is incorporated in Delaware and its principal  
23 executive offices are in Seattle, Washington. Impinj's common stock trades on the  
24 NASDAQ Stock Market ("NASDAQ") under the symbol "PI."  
25

26 13. Defendant Chris Diorio ("Diorio") was the Chief Executive Officer  
27 ("CEO") of Impinj at all relevant times.  
28

1           14. Defendant Eric Brodersen (“Brodersen”) was the Chief Financial  
2 Officer (“CFO”) of Impinj at all relevant times.

3  
4           15. Defendants Diorio and Brodersen (collectively the “Individual  
5 Defendants”), because of their positions with the Company, possessed the power  
6 and authority to control the contents of Impinj’s reports to the SEC, press releases  
7 and presentations to securities analysts, money and portfolio managers and  
8 institutional investors, *i.e.*, the market. The Individual Defendants were provided  
9 with copies of the Company’s reports and press releases alleged herein to be  
10 misleading prior to, or shortly after, their issuance and had the ability and  
11 opportunity to prevent their issuance or cause them to be corrected. Because of their  
12 positions and access to material non-public information available to them, the  
13 Individual Defendants knew that the adverse facts specified herein had not been  
14 disclosed to, and were being concealed from, the public, and that the positive  
15 representations which were being made were then materially false and/or  
16 misleading. The Individual Defendants are liable for the false statements pleaded  
17 herein.  
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## **SUBSTANTIVE ALLEGATIONS**

### **Background**

16. Impinj claims that it is working to deliver a platform that powers item-to-cloud connectivity, enabling developers to innovate Internet-of-Things, or IoT, applications.

### **Materially False and Misleading Statements Issued During the Class Period**

17. The Class Period begins on May 7, 2018. On that day, the Company issued a press release entitled “Impinj Announces First Quarter 2018 Financial Results.” Therein, the Company, in relevant part, stated:

Impinj, Inc. (NASDAQ: PI), a leading provider and pioneer of RAIN RFID solutions for identifying, locating and authenticating everyday items, today announced its financial results for the quarter ended March 31, 2018.

“Based on team execution, enhanced partner inventory visibility and positive bookings trends,” said Chris Diorio, Impinj co-founder and CEO, “we believe we are on track to make the first half of 2018 the turning point for our business.”

#### **First Quarter 2018 Financial Summary**

- Revenue was \$25.1 million
- GAAP gross margin of 46.9%; non-GAAP gross margin of 49.2%
- GAAP net loss of \$14.4 million, or loss of \$0.68 per basic and diluted share using 21.1 million shares
- Adjusted EBITDA loss of \$7.1 million
- Non-GAAP net loss of \$8.0 million, or loss of \$0.38 per diluted share using 21.1 million shares, calculated using our historical methodology for non-GAAP net income; see “Non-GAAP Financial Measures” below for more information

A reconciliation between GAAP and non-GAAP and a description of the methodology we intend to use for calculating non-GAAP net loss for future periods is provided in the “Non-GAAP Financial Measures” section below.

#### **Second Quarter 2018 Financial Outlook**

Impinj provides guidance based on current market conditions and expectations; actual results may differ materially. Please refer to the comments below regarding forward-looking statements. The following

1 table presents Impinj's financial outlook for the second quarter of 2018  
 2 (in millions, except per share data):

3 **Non-GAAP Net loss per share — basic and diluted** **\$(0.38) to \$(0.30)**

4 <sup>(1)</sup> GAAP net loss guidance excludes the impact of forecasted stock-  
 5 based compensation expense related to the voluntary stock option  
 6 exchange offer announced on April 18, 2018.

7 A reconciliation between GAAP and non-GAAP is provided in the  
 8 "Non-GAAP Financial Measures" section below.

9 18. On May 8, 2018, Impinj filed its quarterly report with the SEC on Form  
 10 10-Q for the quarter ended March 31, 2018. The Company's 10-Q was signed by  
 11 Defendant Brodersen and reaffirmed the financial results announced in the press  
 12 release issued on May 7, 2018.

13 19. The Form 10-Q also contained certifications pursuant to the Sarbanes-  
 14 Oxley Act of 2002 ("SOX"), signed by defendants Diorio and Brodersen, who  
 15 certified the following:

16 1. I have reviewed this Quarterly Report on Form 10-Q of Impinj, Inc.;

17 2. Based on my knowledge, this report does not contain any untrue  
 18 statement of a material fact or omit to state a material fact necessary to  
 19 make the statements made, in light of the circumstances under which  
 20 such statements were made, not misleading with respect to the period  
 21 covered by this report;

22 3. Based on my knowledge, the financial statements, and other financial  
 23 information included in this report, fairly present in all material  
 24 respects the financial condition, results of operations and cash flows of  
 25 the small business issuer as of, and for, the periods presented in this  
 26 report;

27 4. The registrant's other certifying officer and I are responsible for  
 28 establishing and maintaining disclosure controls and procedures (as  
 defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal  
 control over financial reporting (as defined in Exchange Act Rules 13a-  
 15(f) and 15d-15(f)) for the registrant and have:

(a) Designed such disclosure controls and procedures, or caused  
 such disclosure controls and procedures to be designed under our  
 supervision, to ensure that material information relating to the  
 registrant, including its consolidated subsidiaries, is made known  
 to us by others within those entities, particularly during the

1 period in which this report is being prepared;

2 (b) Designed such internal control over financial reporting, or  
3 caused such internal control over financial reporting to be  
4 designed under our supervision, to provide reasonable assurance  
5 regarding the reliability of financial reporting and the preparation  
6 of financial statements for external purposes in accordance with  
7 generally accepted accounting principles;

8 (c) Evaluated the effectiveness of the registrant's disclosure  
9 controls and procedures and presented in this report our  
10 conclusions about the effectiveness of the disclosure controls and  
11 procedures, as of the end of the period covered by this report  
12 based on such evaluation; and

13 (d) Disclosed in this report any change in the registrant's internal  
14 control over financial reporting that occurred during the  
15 registrant's most recent fiscal quarter (the registrant's fourth  
16 fiscal quarter in the case of an annual report) that has materially  
17 affected, or is reasonably likely to materially affect, the  
18 registrant's internal control over financial reporting; and

19 5. The registrant's other certifying officer and I have disclosed, based  
20 on our most recent evaluation of internal control over financial  
21 reporting, to the registrant's auditors and the audit committee of the  
22 registrant's board of directors (or persons performing the equivalent  
23 functions):

24 (a) All significant deficiencies and material weaknesses in the  
25 design or operation of internal control over financial reporting  
26 which are reasonably likely to adversely affect the registrant's  
27 ability to record, process, summarize and report financial  
28 information; and

(b) Any fraud, whether or not material, that involves  
management or other employees who have a significant role in  
the registrant's internal control over financial reporting.

20 20. The above statements identified in ¶¶17-19 were materially false and/or  
21 misleading, and failed to disclose material adverse facts about the Company's  
22 business, operations, and prospects. Specifically, Defendants failed to disclose: (1)  
23 that the Company had engaged in conduct that could lead to an employee complaint  
24 and/or Audit Committee investigation; (2) that the Company lacked adequate  
25 internal and financial controls; and (3) that, as a result of the foregoing, Defendants'  
26 statements about Impinj's business, operations, and prospects, were materially false



1 and/or misleading and/or lacked a reasonable basis.

## 2 Disclosures at the End of the Class Period

3  
4 21. On August 2, 2018, Impinj announced that it was delaying the release  
5 of its second quarter 2018 results. The Company also disclosed that its Audit  
6 Committee commenced an independent investigation in connection with a complaint  
7 filed by a former employee, and that Impinj contacted the SEC to advise the SEC of  
8 the independent investigation. Impinj further disclosed that it would “not be in a  
9 position” to file its Form 10-Q until after the Audit Committee completed its  
10 investigation. In greater part, the Company stated:  
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13 Impinj, Inc. (NASDAQ: PI), a leading provider and pioneer of RAIN  
14 RFID solutions for identifying, locating and authenticating everyday  
15 items, announced today that it anticipates reporting stronger-than-  
16 expected results for second quarter 2018. The Company also  
announced it will delay its second-quarter 2018 earnings release and  
investor conference call, as well as the filing of its Quarterly Report on  
Form 10-Q, for the quarter ended June 30, 2018.

### 17 **Preliminary Results for Second Quarter 2018**

18 Second-quarter revenue was \$28.5 million, above the high end of the  
19 Company’s guidance. “Endpoint IC sales exceeded expectations even  
20 as our inlay partners further reduced their inventory. We believe that  
our partners’ endpoint IC inventory correction is now mostly resolved,”  
said Impinj co-founder and CEO, Chris Diorio.

21 “Our systems business rebounded nicely from first quarter 2018 as  
22 reader IC supply improved and project-based deal timing turned more  
favorable,” continued Diorio. “We saw continued strong reader IC  
23 demand and expect to meet that demand in the third quarter as our  
reader IC supply improves. Despite the more favorable deal timing, our  
24 APAC team reorganization continued to impact our systems business  
growth on a year-over-year basis as that team ramps productivity.  
25 Regardless, we remain confident in the quality and size of our  
opportunities and our pipeline is growing.”

26 The Company reduced its overall inventory by \$1.4M, led by an  
27 endpoint IC inventory reduction that exceeded expectations. Impinj  
continues to forecast further inventory reductions in the second half of  
28 2018.

1 “In summary, we are pleased with the operational excellence the Impinj  
2 team delivered this quarter,” continued Diorio. “We expect to  
3 outperform our guidance on revenue, EPS, adjusted EBITDA and  
4 inventory. Sequentially, on a non-GAAP basis, gross margins increased  
5 slightly and operating expenses decreased. Our backlog is growing,  
6 and we continue to believe the first half of 2018 was the turning point  
7 for our business. We would like to personally thank each and every  
8 Impinj employee for their focus and dedication to executing our vision  
9 of identifying, locating and authenticating every item in our everyday  
10 world.”

11 All financial results in this press release were prepared by management  
12 and are preliminary. As noted below, the Audit Committee of Impinj’s  
13 Board of Directors has commenced an independent  
14 investigation. Because the investigation is not yet completed and no  
15 conclusions with respect thereto have been reached, Impinj is currently  
16 unable to determine whether any changes will be required with respect  
17 to its reported results of operations for the three and six months ended  
18 June 30, 2018 or any other period, as well as any impact on the  
19 Company’s internal control over financial reporting.

#### 20 **Audit Committee Investigation**

21 The Audit Committee of Impinj’s Board of Directors has commenced  
22 an independent investigation in connection with a complaint filed by a  
23 former employee. The Audit Committee has retained independent  
24 counsel to assist it in its investigation. Impinj has contacted the  
25 Securities and Exchange Commission (“SEC”) to advise it that an  
26 independent investigation is underway, and the Audit Committee  
27 intends to provide additional information to the SEC as appropriate as  
28 the investigation proceeds. Impinj cannot predict the duration or  
outcome of the investigation, and will not be in a position to file Form  
10-Q until the Audit Committee completes its investigation.

22. On this news, Impinj’s share price fell \$3.02 per share, or 13.7%, to  
close at \$18.97 per share on August 3, 2018, on unusually heavy trading volume.

#### 21 **CLASS ACTION ALLEGATIONS**

22 23. Plaintiff brings this action as a class action pursuant to Federal Rule of  
23 Civil Procedure 23(a) and (b)(3) on behalf of a class, consisting of all persons and  
24 entities that acquired Impinj securities between May 7, 2018 and August 2, 2018,  
25 inclusive, and who were damaged thereby (the “Class”). Excluded from the Class  
26 are Defendants, the officers and directors of the Company, at all relevant times,  
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1 members of their immediate families and their legal representatives, heirs,  
2 successors, or assigns, and any entity in which Defendants have or had a controlling  
3 interest.  
4

5       24. The members of the Class are so numerous that joinder of all members  
6 is impracticable. Throughout the Class Period, Impinj's common stock actively  
7 traded on the NASDAQ. While the exact number of Class members is unknown to  
8 Plaintiff at this time and can only be ascertained through appropriate discovery,  
9 Plaintiff believes that there are at least hundreds or thousands of members in the  
10 proposed Class. Millions of Impinj shares were traded publicly during the Class  
11 Period on the NASDAQ. As of April 30, 2018, Impinj had 21,339,989 shares of  
12 common stock outstanding. Record owners and other members of the Class may be  
13 identified from records maintained by Impinj or its transfer agent and may be  
14 notified of the pendency of this action by mail, using the form of notice similar to  
15 that customarily used in securities class actions.  
16

17       25. Plaintiff's claims are typical of the claims of the members of the Class  
18 as all members of the Class are similarly affected by Defendants' wrongful conduct  
19 in violation of federal law that is complained of herein.  
20

21       26. Plaintiff will fairly and adequately protect the interests of the members  
22 of the Class and has retained counsel competent and experienced in class and  
23 securities litigation.  
24

25       27. Common questions of law and fact exist as to all members of the Class  
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1 and predominate over any questions solely affecting individual members of the  
2 Class. Among the questions of law and fact common to the Class are:

3 (a) whether the federal securities laws were violated by Defendants' acts as  
4 alleged herein;

5 (b) whether statements made by Defendants to the investing public during  
6 the Class Period omitted and/or misrepresented material facts about the business,  
7 operations, and prospects of Impinj; and

8 (c) to what extent the members of the Class have sustained damages and  
9 the proper measure of damages.

10 28. A class action is superior to all other available methods for the fair and  
11 efficient adjudication of this controversy since joinder of all members is  
12 impracticable. Furthermore, as the damages suffered by individual Class members  
13 may be relatively small, the expense and burden of individual litigation makes it  
14 impossible for members of the Class to individually redress the wrongs done to  
15 them. There will be no difficulty in the management of this action as a class action.

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21 **UNDISCLOSED ADVERSE FACTS**

22 29. The market for Impinj's securities was open, well-developed and  
23 efficient at all relevant times. As a result of these materially false and/or misleading  
24 statements, and/or failures to disclose, Impinj's securities traded at artificially  
25 inflated prices during the Class Period. Plaintiff and other members of the Class  
26 purchased or otherwise acquired Impinj's securities relying upon the integrity of the  
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1 market price of the Company's securities and market information relating to Impinj,  
2 and have been damaged thereby.

3  
4 30. During the Class Period, Defendants materially misled the investing  
5 public, thereby inflating the price of Impinj's securities, by publicly issuing false  
6 and/or misleading statements and/or omitting to disclose material facts necessary to  
7 make Defendants' statements, as set forth herein, not false and/or misleading. The  
8 statements and omissions were materially false and/or misleading because they  
9 failed to disclose material adverse information and/or misrepresented the truth about  
10 Impinj's business, operations, and prospects as alleged herein.  
11  
12

13 31. At all relevant times, the material misrepresentations and omissions  
14 particularized in this Complaint directly or proximately caused or were a substantial  
15 contributing cause of the damages sustained by Plaintiff and other members of the  
16 Class. As described herein, during the Class Period, Defendants made or caused to  
17 be made a series of materially false and/or misleading statements about Impinj's  
18 financial well-being and prospects. These material misstatements and/or omissions  
19 had the cause and effect of creating in the market an unrealistically positive  
20 assessment of the Company and its financial well-being and prospects, thus causing  
21 the Company's securities to be overvalued and artificially inflated at all relevant  
22 times. Defendants' materially false and/or misleading statements during the Class  
23 Period resulted in Plaintiff and other members of the Class purchasing the  
24 Company's securities at artificially inflated prices, thus causing the damages  
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1 complained of herein when the truth was revealed.

2  
3 **LOSS CAUSATION**

4 32. Defendants' wrongful conduct, as alleged herein, directly and  
5 proximately caused the economic loss suffered by Plaintiff and the Class.

6 33. During the Class Period, Plaintiff and the Class purchased Impinj's  
7 securities at artificially inflated prices and were damaged thereby. The price of the  
8 Company's securities significantly declined when the misrepresentations made to  
9 the market, and/or the information alleged herein to have been concealed from the  
10 market, and/or the effects thereof, were revealed, causing investors' losses.  
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13 **SCIENTER ALLEGATIONS**

14 34. As alleged herein, Defendants acted with scienter since Defendants  
15 knew that the public documents and statements issued or disseminated in the name  
16 of the Company were materially false and/or misleading; knew that such statements  
17 or documents would be issued or disseminated to the investing public; and  
18 knowingly and substantially participated or acquiesced in the issuance or  
19 dissemination of such statements or documents as primary violations of the federal  
20 securities laws. As set forth elsewhere herein in detail, the Individual Defendants,  
21 by virtue of their receipt of information reflecting the true facts regarding Impinj,  
22 their control over, and/or receipt and/or modification of Impinj's allegedly  
23 materially misleading misstatements and/or their associations with the Company  
24 which made them privy to confidential proprietary information concerning Impinj,  
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1 participated in the fraudulent scheme alleged herein.

2 **APPLICABILITY OF PRESUMPTION OF RELIANCE**  
3 **(FRAUD-ON-THE-MARKET DOCTRINE)**

4 35. The market for Impinj's securities was open, well-developed and  
5 efficient at all relevant times. As a result of the materially false and/or misleading  
6 statements and/or failures to disclose, Impinj's securities traded at artificially  
7 inflated prices during the Class Period. On July 23, 2018, the Company's stock  
8 price closed at a Class Period high of \$25.35 per share. Plaintiff and other members  
9 of the Class purchased or otherwise acquired the Company's securities relying upon  
10 the integrity of the market price of Impinj's securities and market information  
11 relating to Impinj, and have been damaged thereby.

12 36. During the Class Period, the artificial inflation of Impinj's stock was  
13 caused by the material misrepresentations and/or omissions particularized in this  
14 Complaint causing the damages sustained by Plaintiff and other members of the  
15 Class. As described herein, during the Class Period, Defendants made or caused to  
16 be made a series of materially false and/or misleading statements about Impinj's  
17 business, prospects, and operations. These material misstatements and/or omissions  
18 created an unrealistically positive assessment of Impinj and its business, operations,  
19 and prospects, thus causing the price of the Company's securities to be artificially  
20 inflated at all relevant times, and when disclosed, negatively affected the value of  
21 the Company stock. Defendants' materially false and/or misleading statements  
22 during the Class Period resulted in Plaintiff and other members of the Class  
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1 purchasing the Company's securities at such artificially inflated prices, and each of  
2 them has been damaged as a result.

3  
4 37. At all relevant times, the market for Impinj's securities was an efficient  
5 market for the following reasons, among others:

6 (a) Impinj stock met the requirements for listing, and was listed and  
7 actively traded on the NASDAQ, a highly efficient and automated market;

8  
9 (b) As a regulated issuer, Impinj filed periodic public reports with the SEC  
10 and/or the NASDAQ;

11  
12 (c) Impinj regularly communicated with public investors via established  
13 market communication mechanisms, including through regular dissemination of  
14 press releases on the national circuits of major newswire services and through other  
15 wide-ranging public disclosures, such as communications with the financial press  
16 and other similar reporting services; and/or

17  
18 (d) Impinj was followed by securities analysts employed by brokerage  
19 firms who wrote reports about the Company, and these reports were distributed to  
20 the sales force and certain customers of their respective brokerage firms. Each of  
21 these reports was publicly available and entered the public marketplace.  
22

23  
24 38. As a result of the foregoing, the market for Impinj's securities promptly  
25 digested current information regarding Impinj from all publicly available sources  
26 and reflected such information in Impinj's stock price. Under these circumstances,  
27 all purchasers of Impinj's securities during the Class Period suffered similar injury  
28



1 through their purchase of Impinj's securities at artificially inflated prices and a  
2 presumption of reliance applies.

3  
4 39. A Class-wide presumption of reliance is also appropriate in this action  
5 under the Supreme Court's holding in *Affiliated Ute Citizens of Utah v. United*  
6 *States*, 406 U.S. 128 (1972), because the Class's claims are, in large part, grounded  
7 on Defendants' material misstatements and/or omissions. Because this action  
8 involves Defendants' failure to disclose material adverse information regarding the  
9 Company's business operations and financial prospects—information that  
10 Defendants were obligated to disclose—positive proof of reliance is not a  
11 prerequisite to recovery. All that is necessary is that the facts withheld be material  
12 in the sense that a reasonable investor might have considered them important in  
13 making investment decisions. Given the importance of the Class Period material  
14 misstatements and omissions set forth above, that requirement is satisfied here.  
15  
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18 **NO SAFE HARBOR**

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20 40. The statutory safe harbor provided for forward-looking statements  
21 under certain circumstances does not apply to any of the allegedly false statements  
22 pleaded in this Complaint. The statements alleged to be false and misleading herein  
23 all relate to then-existing facts and conditions. In addition, to the extent certain of  
24 the statements alleged to be false may be characterized as forward looking, they  
25 were not identified as "forward-looking statements" when made and there were no  
26 meaningful cautionary statements identifying important factors that could cause  
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1 actual results to differ materially from those in the purportedly forward-looking  
 2 statements. In the alternative, to the extent that the statutory safe harbor is  
 3 determined to apply to any forward-looking statements pleaded herein, Defendants  
 4 are liable for those false forward-looking statements because at the time each of  
 5 those forward-looking statements was made, the speaker had actual knowledge that  
 6 the forward-looking statement was materially false or misleading, and/or the  
 7 forward-looking statement was authorized or approved by an executive officer of  
 8 Impinj who knew that the statement was false when made.  
 9  
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11  
 12 **FIRST CLAIM**  
 13 **Violation of Section 10(b) of The Exchange Act and**  
 14 **Rule 10b-5 Promulgated Thereunder**  
 15 **Against All Defendants**  
 16

17 41. Plaintiff repeats and re-alleges each and every allegation contained  
 18 above as if fully set forth herein.  
 19

20 42. During the Class Period, Defendants carried out a plan, scheme and  
 21 course of conduct which was intended to and, throughout the Class Period, did: (i)  
 22 deceive the investing public, including Plaintiff and other Class members, as alleged  
 23 herein; and (ii) cause Plaintiff and other members of the Class to purchase Impinj's  
 24 securities at artificially inflated prices. In furtherance of this unlawful scheme, plan  
 25 and course of conduct, Defendants, and each defendant, took the actions set forth  
 26 herein.  
 27

28 43. Defendants (i) employed devices, schemes, and artifices to defraud; (ii)  
 made untrue statements of material fact and/or omitted to state material facts

1 necessary to make the statements not misleading; and (iii) engaged in acts, practices,  
2 and a course of business which operated as a fraud and deceit upon the purchasers of  
3 the Company's securities in an effort to maintain artificially high market prices for  
4 Impinj's securities in violation of Section 10(b) of the Exchange Act and Rule 10b-  
5 5. All Defendants are sued either as primary participants in the wrongful and illegal  
6 conduct charged herein or as controlling persons as alleged below.  
7  
8

9 44. Defendants, individually and in concert, directly and indirectly, by the  
10 use, means or instrumentalities of interstate commerce and/or of the mails, engaged  
11 and participated in a continuous course of conduct to conceal adverse material  
12 information about Impinj's financial well-being and prospects, as specified herein.  
13

14 45. Defendants employed devices, schemes and artifices to defraud, while  
15 in possession of material adverse non-public information and engaged in acts,  
16 practices, and a course of conduct as alleged herein in an effort to assure investors of  
17 Impinj's value and performance and continued substantial growth, which included  
18 the making of, or the participation in the making of, untrue statements of material  
19 facts and/or omitting to state material facts necessary in order to make the  
20 statements made about Impinj and its business operations and future prospects in  
21 light of the circumstances under which they were made, not misleading, as set forth  
22 more particularly herein, and engaged in transactions, practices and a course of  
23 business which operated as a fraud and deceit upon the purchasers of the Company's  
24 securities during the Class Period.  
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1           46. Each of the Individual Defendants' primary liability and controlling  
2 person liability arises from the following facts: (i) the Individual Defendants were  
3 high-level executives and/or directors at the Company during the Class Period and  
4 members of the Company's management team or had control thereof; (ii) each of  
5 these defendants, by virtue of their responsibilities and activities as a senior officer  
6 and/or director of the Company, was privy to and participated in the creation,  
7 development and reporting of the Company's internal budgets, plans, projections  
8 and/or reports; (iii) each of these defendants enjoyed significant personal contact  
9 and familiarity with the other defendants and was advised of, and had access to,  
10 other members of the Company's management team, internal reports and other data  
11 and information about the Company's finances, operations, and sales at all relevant  
12 times; and (iv) each of these defendants was aware of the Company's dissemination  
13 of information to the investing public which they knew and/or recklessly  
14 disregarded was materially false and misleading.  
15

16  
17           47. Defendants had actual knowledge of the misrepresentations and/or  
18 omissions of material facts set forth herein, or acted with reckless disregard for the  
19 truth in that they failed to ascertain and to disclose such facts, even though such  
20 facts were available to them. Such defendants' material misrepresentations and/or  
21 omissions were done knowingly or recklessly and for the purpose and effect of  
22 concealing Impinj's financial well-being and prospects from the investing public  
23 and supporting the artificially inflated price of its securities. As demonstrated by  
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1 Defendants' overstatements and/or misstatements of the Company's business,  
2 operations, financial well-being, and prospects throughout the Class Period,  
3 Defendants, if they did not have actual knowledge of the misrepresentations and/or  
4 omissions alleged, were reckless in failing to obtain such knowledge by deliberately  
5 refraining from taking those steps necessary to discover whether those statements  
6 were false or misleading.  
7  
8

9       48. As a result of the dissemination of the materially false and/or  
10 misleading information and/or failure to disclose material facts, as set forth above,  
11 the market price of Impinj's securities was artificially inflated during the Class  
12 Period. In ignorance of the fact that market prices of the Company's securities were  
13 artificially inflated, and relying directly or indirectly on the false and misleading  
14 statements made by Defendants, or upon the integrity of the market in which the  
15 securities trades, and/or in the absence of material adverse information that was  
16 known to or recklessly disregarded by Defendants, but not disclosed in public  
17 statements by Defendants during the Class Period, Plaintiff and the other members  
18 of the Class acquired Impinj's securities during the Class Period at artificially high  
19 prices and were damaged thereby.  
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24       49. At the time of said misrepresentations and/or omissions, Plaintiff and  
25 other members of the Class were ignorant of their falsity, and believed them to be  
26 true. Had Plaintiff and the other members of the Class and the marketplace known  
27 the truth regarding the problems that Impinj was experiencing, which were not  
28

1 disclosed by Defendants, Plaintiff and other members of the Class would not have  
2 purchased or otherwise acquired their Impinj securities, or, if they had acquired such  
3 securities during the Class Period, they would not have done so at the artificially  
4 inflated prices which they paid.  
5

6 50. By virtue of the foregoing, Defendants violated Section 10(b) of the  
7 Exchange Act and Rule 10b-5 promulgated thereunder.  
8

9 51. As a direct and proximate result of Defendants' wrongful conduct,  
10 Plaintiff and the other members of the Class suffered damages in connection with  
11 their respective purchases and sales of the Company's securities during the Class  
12 Period.  
13

14 **SECOND CLAIM**  
15 **Violation of Section 20(a) of The Exchange Act**  
16 **Against the Individual Defendants**

17 52. Plaintiff repeats and re-alleges each and every allegation contained  
18 above as if fully set forth herein.

19 53. Individual Defendants acted as controlling persons of Impinj within the  
20 meaning of Section 20(a) of the Exchange Act as alleged herein. By virtue of their  
21 high-level positions and their ownership and contractual rights, participation in,  
22 and/or awareness of the Company's operations and intimate knowledge of the false  
23 financial statements filed by the Company with the SEC and disseminated to the  
24 investing public, Individual Defendants had the power to influence and control and  
25 did influence and control, directly or indirectly, the decision-making of the  
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1 Company, including the content and dissemination of the various statements which  
2 Plaintiff contends are false and misleading. Individual Defendants were provided  
3 with or had unlimited access to copies of the Company's reports, press releases,  
4 public filings, and other statements alleged by Plaintiff to be misleading prior to  
5 and/or shortly after these statements were issued and had the ability to prevent the  
6 issuance of the statements or cause the statements to be corrected.  
7  
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9       54. In particular, Individual Defendants had direct and supervisory  
10 involvement in the day-to-day operations of the Company and, therefore, had the  
11 power to control or influence the particular transactions giving rise to the securities  
12 violations as alleged herein, and exercised the same.  
13

14       55. As set forth above, Impinj and Individual Defendants each violated  
15 Section 10(b) and Rule 10b-5 by their acts and omissions as alleged in this  
16 Complaint. By virtue of their position as controlling persons, Individual Defendants  
17 are liable pursuant to Section 20(a) of the Exchange Act. As a direct and proximate  
18 result of Defendants' wrongful conduct, Plaintiff and other members of the Class  
19 suffered damages in connection with their purchases of the Company's securities  
20 during the Class Period.  
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## **PRAAYER FOR RELIEF**

(a) Determining that this action is a proper class action under Rule 23 of the Federal Rules of Civil Procedure;

(c) Awarding Plaintiff and the Class their reasonable costs and expenses incurred in this action, including counsel fees and expert fees; and

## JURY TRIAL DEMANDED

Dated: August 7, 2018

By: s/ Robert V. Prongay

*Counsel for Plaintiff*



**SWORN CERTIFICATION OF PLAINTIFF**

**IMPINJ, INC. SECURITIES LITIGATION**

I, Drew Schultz individually, and/or in my capacity as trustee and/or principal for accounts listed on Schedule A, certify that:

1. I have reviewed the Complaint and authorize its filing and/or the filing of a Lead Plaintiff motion on my behalf.
2. I did not purchase the Impinj, Inc. securities that are the subject of this action at the direction of plaintiff's counsel or in order to participate in any private action arising under this title.
3. I am willing to serve as a representative party on behalf of a class and will testify at deposition and trial, if necessary.
4. My transactions in Impinj, Inc. securities during the Class Period set forth in the Complaint are as follows:  
  
(See attached transactions)
5. I have not sought to serve, nor served, as a representative party on behalf of a class under this title during the last three years, except for the following:
6. I will not accept any payment for serving as a representative party, except to receive my pro rata share of any recovery or as ordered or approved by the court, including the award to a representative plaintiff of reasonable costs and expenses (including lost wages) directly relating to the representation of the class.

I declare under penalty of perjury that the foregoing are true and correct statements.

8/6/2018

Date

DocuSigned by:  
*Drew Schultz All Rights Reserved*  
FE7B89C0EAA84E6  
Drew Schultz

**Drew Schultz's Transactions in Impinj, Inc. (PI)**

<b>Date</b>	<b>Transaction Type</b>	<b>Quantity</b>	<b>Unit Price</b>
07/20/2018	Bought	180	\$25.1098